



**SERBIA CORRIDOR X HIGHWAY PROJECT**

**RESETTLEMENT ACTION PLAN**  
**(For the E 80 Motorway Section: Prosek – Crvena Reka)**

## Contents

ABBREVIATIONS .....	5
Executive Summary .....	6
CHAPTER I – INTRODUCTION .....	9
1.1. Background .....	9
1.2. Objectives of RAP .....	9
1.3. Scope of RAP .....	9
1.4. Social Impact Assessment.....	10
1.5. Nature of Impacts.....	10
1.6. Zone of Impact.....	11
CHAPTER II – LEGAL FRAMEWORK AND RESETTLEMENT POLICY PROVISIONS.....	13
2.1. Legal process for Expropriation.....	13
2.2. Expropriation Process followed for E 80 Highway .....	13
2.3. Resettlement Policy provisions .....	14
2.4. Institutional framework.....	15
CHAPTER III – EXPROPRIATION AND COMPENSATION PAYMENT .....	17
3.1. Introduction.....	17
3.2. Expropriation Process.....	17
3.3. Compensation cost for standing crops.....	17
3.4. Structures and property in the zone of Prosek - Crvena Reka along the Highway E 80 .....	18
3.5. Additional Support.....	18
3.6. Identification of Impact categories .....	18
CHAPTER IV – SOCIAL IMPACT ASSESMENT .....	19
4.1. Social Impact Assessment.....	19
4.2. Methodology followed for Social impact assessment .....	20
4.3. Socio-economic status of Nis and Bela Palanka Municipality .....	20
4.4. Socio-economic status of PAPs.....	23
4.5. Demographic characteristics .....	23

4.6.	Loss of Land, structures and businesses.....	26
4.7.	Income and occupation .....	27
4.8.	Expenditure pattern .....	29
4.9.	Indebted .....	29
4.10.	Household assets .....	29
4.11.	Ways of spending Expropriation compensation.....	29
4.12.	Self-perception of socio-economic position .....	29
4.13.	Interest in training and certification programs .....	30
4.14.	Assessment of overall living conditions of PAP .....	30
4.15.	Assessment of affected vulnerable households proposed additional assistance .....	32
4.16.	Positive effects of construction of Section Prosek - Crvena Reka .....	33
4.17.	Consultations and Community Participation.....	33
4.18.	Offers.....	35
4.19.	Summary of key findings of consultation .....	35
CHAPTER V – IMPLEMENTATION ARRANGEMENTS.....		36
5.1	Institutional Arrangements .....	36
5.2	Performance Monitoring.....	37
5.3	Impact Monitoring.....	37
5.4	Impact evaluation .....	38
5.5	Procedure of Grievance mechanism .....	38
5.6	Principles to treat Complaints .....	39
5.7	Record of complaint and appeal and Follow up Feedback .....	39
5.8	Administering the payment of Compensation and R&R assistance.....	39
5.9	Income restoration Measures .....	39
5.10	Dealing with Temporary Impacts/additional impacts during construction .....	39
5.11	Data base management.....	39
5.12	Disclosures.....	40
5.13	Coordination with Civil works and certification .....	40
5.14	Budget and costs .....	40
5.15	Implementation schedule.....	40
5.16	Monitoring and Evaluation .....	40
5.17	External monitoring.....	41
5.18	Concurrent Evaluation.....	41

---

ANNEX I - Poll questionnaire .....	43
ANNEXURE II - Grievance recording template.....	47
ANNEXURE III Entitlement Matrix (in lines with RPF, June 2009) .....	48
ANNEXURE IV - TOR for M&E Consultants .....	49
ANNEXURE V - Progress monitoring table.....	50
ANNEXURE VI - Key Baseline Indicators .....	51

## ABBREVIATIONS

<b>CLEIA</b>	CORRIDOR LEVEL ENVIRONMENTAL IMPACT ASSESMENT
<b>EIA</b>	ENVIRONMENTAL IMPACT ASSESMENT
<b>GC</b>	GRIEVANCE COMISSION
<b>K10DOO</b>	KORIDOR 10 DRUSTVO S OGRANICENOM ODGOVORNOSCU (KORIDOR 10 LIMITED LIABILITY COMPANY)
<b>MOE</b>	MINISTRY OF ENVIRONMENTAL PROTECTION
<b>PAP</b>	PROJECT AFFECTED PERSON
<b>PERS</b>	PUBLIC ENTERPRISE ROADS OF SERBIA
<b>RPF</b>	RESETTLEMENT POLICY FRAMEWORK
<b>RSD</b>	REPUBLIC SERBIA DINARS
<b>SIA</b>	SOCIAL IMPACT ANALYSIS

## Executive Summary

The Resettlement Action plan (RAP) is a document the preparation of which is determined by the Resettlement Policy Framework. The objective of this document is the protection of Project affected person (PAP), fulfillment of international obligations, as well as a greater extent to transparency of the expropriation process.

The RAP is an information-gathering and analytical process that helps to design development that has least impact on affected communities. Its objectives are to evaluate all physical or economic impacts, displacement, or temporary or permanent loss of assets or facilities that maybe experienced by Project affected communities. It thus identifies people affected by the Project, the nature and the degree of the impact on them measures taken to minimize the effects.

In line with similar projects implemented in Serbia, construction is expected to start after contract signing following international competitive tendering. Pre construction activities associated with design work include soil investigations and detailed survey of the alignment. Actual mobilization for construction work will follow within 3 months from the time the detailed design is finished. The mobilization period includes activities for preparation of material storage areas, camps water, power, communication and other site facilities.

Most works will proceed during the entire year. The project is planned to be completed within 24 months from commencement of works.

Land acquisition and resettlement widely involve many aspects and relate excessively to benefit PAP, thus during the implementation PAP complaint and grievances on the resettlement and compensation are inevitable to occur. In order to solve successfully the complaint and/or grievance, Public Enterprise Roads of Serbia (PERS) has established an independent body according to the Resettlement Policy Framework (RPF), to precede the grievances fairly and effectively, to ensure the smooth implementation of resettlement and land acquisition.

The Beneficiary of Expropriation PERS, on behalf of the implementation entity K10DOO will monitor the implementation of the resettlement processes, both through internal, official institutional arrangements, as well as by independent, external consultant to be appointed by implementing entity. The external monitoring and evaluation consultant will be appointed prior to construction starting on this section.

The Government of the Republic of Serbia wants to develop and complete the core road infrastructure on Corridor X within the next 4 years. The objective is to facilitate sustainable economic development and ensure that the country capitalizes on its geographical position to continue its development as a key transit country on the Trans-European Network. The Government of the Republic of Serbia requested the assistance of the European Investment Bank (EIB) to lead the preparation and contribute to the financing of a program to develop two East sections (on E 80, Prosek-Crvena Reka and Čiflik-Pirot (East)) and two southern sections (on E 75 Grdelica- Caričina Dolina and Caričina dolina- Vladičin Han) of Corridor X.

The total cost of the EIB Corridor X Highway project is EUR 350 million which will be co-financed with the Government of Serbia. In addition, two other International Financing Institutions, the European Bank for Reconstruction and Development (EBRD), and the World Bank (WB), (hereafter referred to collectively as the IFIs), and one bilateral donor, the Hellenic Plan for the Economic Reconstruction of the Balkans (hereafter referred to as HiPERB) have confirmed their

commitment to provide parallel financing to a broader Corridor X program to construct 160 km of motorway at a provisional cost estimate of Euros 1.3 billion: EBRD has lend EUR 150 million, for the E 80 and the E 75, and Greece will grant EUR 100 million under HiPERB which will be allocated to one section of the E-75 between Donji Neradovac and Levosoje.

Total length of Section Prosek - Crvena Reka is from km 18+125 to km 40+650 and it acquires a total amount of land of 2067791m<sup>2</sup> at the Cadastral Municipality of Malča 53110m<sup>2</sup> at the Cadastral Municipality of Prosek 30477m<sup>2</sup>, the Cadastral Municipality of Jelasnica 287766m<sup>2</sup>, Cadastral Municipality of Kunovica 657803m<sup>2</sup>, Cadastral Municipality of Ravni Do 76642m<sup>2</sup>, Cadastral Municipality of Veta 328329m<sup>2</sup>, Cadastral Municipality of Glogovac 250375m<sup>2</sup>, Cadastral Municipality of Toponica 11842m<sup>2</sup>, Cadastral Municipality of Tamnjanica 141640m<sup>2</sup>, Cadastral Municipality of Crveni Breg 40292 m<sup>2</sup>, Cadastral Municipality of Crvena Reka 6619m<sup>2</sup>, Cadastral Municipality of Spaj 182896m<sup>2</sup>, to be acquired.

The Social Impact Assessment (SIA) analysis for the Section Prosek – Crvena Reka has been done after drafting the project documentation for construction of the route on this corridor. Within the legislation of the Republic of Serbia, the issue of the local population is defined in the Law on planning and construction and the Law on expropriation, and those two laws are the framework for carrying out preparations for cooperation with citizens, defining the rights of citizens, meaning the owners of the real estate in the zone of the route, as well as defining the obligations of the Beneficiary of expropriation. Legal regulations in Serbia do not envisage an obligation for the contractor to carry out an evaluation of effects of the planned activities on the social development of the community, especially on the populace and households which are directly or indirectly affected by these activities.

The data collected in the polling established the volume and depth of poverty in the Municipality of Bela Palanka and Nis. The Municipality of Bela Palanka belongs to the group of the most poverty stricken regions in the Republic of Serbia, with high levels of unemployment below average incomes, with intensive emigration. Poverty is widespread and profound in rural settlements as those discovered in the Municipality of Bela Palanka. Nis being one of the largest city in Serbia does not show any similarity to the social findings in Bela Palanka and gives a picture of a more cultivated environment, with good and organized road infrastructure, with good organized water supply, good quality and available health service, organized public transportation. The polled city residents of Nis are better off in comparison to the neighboring municipalities.

The socio-economic and demographic markers of the polled owners and their households reflected the conditions within the municipalities of Nis and Bela Palanka.

Despite the estimation of individual socio-economic status, it is undisputed that the polled households are better off than the average socioeconomic performance in the reference limits of the Municipalities of Niš and Bela Palanka. Specifically given the low rate of land transaction recorded in those Municipalities, the expropriation gives the affected households an income that they could not achieve through ordinary market transfers or otherwise.

It is generally considered that the money acquired from expropriation of real estate improves the economic situation of the household, and could potentially be a push-factor for advancing the socio-economic status of the household. Specifically despite nearly two thirds of those polled stating that the money received from expropriation of agricultural land would be partially or entirely used for immediate expenses, a good number of those polled stated that these funds would be used for improving living conditions (addition to or construction of a house), for children's education or purchasing agricultural machinery or for starting a business. With that, on the level of individual

households, definite positive effect can be expected from the process of expropriation that, on the level of individual households, definite positive effects can be expected from the process of expropriation.

Construction of this section of the motorway will also bring with it definite positive effects for a large number of residents who live in neighboring rural settlements, because the current traffic way, from which transiting traffic will be relocated and redirected to the highway, will become significantly safer.

Expropriation takes place after a certain alignment is declared to be of public interest. The public interest is being declared by the Government of Republic of Serbia. For this section Public interest has been declared by the Act of the Government of Republic of Serbia 05 No 465-3654/08 from August 11th 2008. At every phase, PAP have a possibility to protect his/her given rights by involving them at all and every step being taken either by the Beneficiary of expropriation or by the institutions who by authority take the leading role in the expropriation process. Besides, PAP have the legal right to challenge all decision being made either through appeal according to the Serbian Law of expropriation or through grievances consistent with lines of the RPF and this RAP. Finally, PAP has the right to enter into judicial process to exercise their rights to the Supreme Court of Serbia public interest.

## **CHAPTER I – INTRODUCTION**

### **1.1. Background**

The Government of the Republic of Serbia is currently developing the core road infrastructure on Corridor X with the assistance of International financial Institutions. The objective of this infrastructure development is to facilitate a sustainable economic development and ensure that the country capitalizes on its geographical position to continue its development on Trans European Network. As part of this core road network improvement, the European Investment Bank (EIB) is financing the construction of E 75, Section Grdelica (Gornje Polje) – Caricina Dolina, from km 873+714 to km 886+000, Tunnels Predejane and Manajle, Section Caricina Dolina – Vladicin Han from 886+000 to 900+100 km, and the construction of E 80 Section Prosek – Crvena Reka from km 18+125 to km 40+650 and Section Ciflik – Pirot (Istok) from km 53+317 to km 79+988. PERS as the Beneficiary of Expropriation, in cooperation with the Department for Urbanism, Civil Engineering, Property and Legal Affairs within the municipal administration of the Municipality of Nis and Bela Palanka, is conducting the expropriation process for the section this specific RAP is prepared and approximately about 206 hectares of land is to be expropriated for improvement of this sections.

### **1.2. Objectives of RAP**

Development projects that involve involuntary land acquisition and resettlement can cause long-term hardship, impoverishment, and environmental damage unless appropriate measures to mitigate these impacts are applied. This Resettlement Action Plan (RAP) is specifically related to the E 80 motorway, from Prosek to Crvena Reka, in the total length of 22.5 km involving approximately 206 hectares of land expropriation comprising approximately 1255 expropriation cases. There are no households that need relocation or lose structures. This RAP is prepared according to the Laws and regulations of Republic of Serbia and Resettlement Policy Framework adopted for this program by Government of Republic of Serbia which is consistent with the World Bank's operational policy provisions for involuntary resettlement. The objective of this RAP is to set out an action plan for the resettlement and rehabilitation of Project affected people (PAP) to ensure that they will benefit from the protect and their standards of living will improve or at least be restored after the displacement. Acquisition of land and other assets for the project will adversely affect the livelihood of persons who live, work or earn their living on the land that will be acquired for the project. PAPs are defined as those persons whose land is being expropriated, or those persons whose income or livelihoods will be adversely affected by land acquisition for the project.

### **1.3. Scope of RAP**

Keeping the above objectives in view, the scope of this RAP includes but is not limited to:

- a) Provide the details on the policies governing land expropriation, the range of adverse impacts and entitlements;
- b) Present a strategy for achieving the objectives of the resettlement/land acquisition policy;
- c) Provide a framework for implementation of the stated strategies to enquire timely acquisition of assets, payment of compensation and delivery of the benefits to PAPs;

- d) Provide details on the public information, consultation and participation, and grievance redress mechanisms in project planning, design and implementation;
- e) Provide identified sources and estimates of required resources for implementation of the RAP;
- f) Provide a framework for supervision, monitoring and evaluation of resettlement implementation.

#### 1.4. Social Impact Assessment

In line with the provisions of RPF, a baseline socio-economic survey among the affected people was carried out to record their key socio-economic and demographic characteristics in which will become the basis for measuring the changes in the living standards in the post impact period. Accordingly, this survey was carried out by K10DOO and external consultants during the period of April 2010 until end of June 2010. The survey covered the details of individual losses of land and other properties and collection of household information related to assets, income and expenditure demographic characteristics, housing and access to basic amenities, etc. PAPs are defined as those who on account of the execution of the project had or would have their:

- a) standard of living adversely affected; or
- b) right, title or interest in any house, land or any other fixed or movable asset acquired or possessed, temporarily or permanently,
- c) Business, occupation, works of place of residence or habitat adversely affected and Project affected people means any of the displaced persons.

Accordingly, the following categories of project affected people were identified:

- a) PAPs, with formal title, who lose all or part of their land;
- b) PAPs, with formal title, who have immovable property on the land to be expropriated;
- c) PAPs with formal title over businesses that are affected by the loss of all or part of the land on which the businesses are located;
- d) PAPs with formal title over animal husbandries and agricultural processors that are affected by the loss of all or part of the land on which they are based;
- e) PAPs with formal title of tenancy on private or public land;
- f) PAPs with formal title over land, that will be needed during construction on a temporary basis;
- g) PAPs without formal title on affected land or businesses but their livelihoods are directly dependent on the affected land or businesses (e.g., those working on affected agricultural land or working in the affected businesses); and
- h) PAPs without formal title of ownership or use but who have established usage of public land by investing in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, the age of crops, and the time needed to reproduce them.

#### 1.5. Nature of Impacts

The following impacts are identified in the project:

- a) **Permanently acquired land** consists of cultivated and non/cultivated land within the line of acquisition. The cultivated land includes paddy field, dry field, vegetable field, non cultivated land, forestry field and housing land;
- b) **Relocated buildings:** buildings relocated within the line of expropriation, mainly including brick and concrete houses and simple houses;
- c) **Affected land attachments:** land attachments located within the line of expropriation, mainly including supporting wall, well, brick/tile kiln;

- d) **Affected families:** all families that have land, building or land attachments;
- e) **Project Affected Persons:** population of all families affected by the project.

### 1.6. Zone of Impact

While performing the Social impact assessment for the construction of E 80 highway Nis-Border of FYROM, section Prosek – Crvena Reka, on local communities, two specific zones of influences were defined according to criteria of expected effects that may be brought on the life quality of local population by the construction of a new road:

- a) Zone of corridor where **direct effects** on residents and households may be expected and from where it is essential to relocate buildings and expropriate all real estate property, and
- b) Zone of **indirect effects** on settlements and land in contact zones outside the corridor itself.
- c) Zones **influenced by intensive traffic volume** on the existing track of E 80 Motorway, which will be relaxed.

#### Zone of corridor of direct effect

The expropriation of land in this zone involved 1255 land owners. All of these PAP demanded for compensation in money. There are no permanent losses of houses or structures. During the farmland expropriation, all owners opted to be financially compensated instead of receiving other land in exchange for the expropriated land. The expropriation has been carried out from September 2009 and was completed September 2010. All the respective owners have entered the administrative process of expropriation excluding the ones who are living outside of Serbia. In those cases the process is still ongoing. Obviously, the reason for this is the fact that the land within the corridor zone is not used as a primary or basic income source of a household, but instead the farm production is predominantly pursued for the needs of the household itself. In addition, a number of farm lots that are the subject of expropriation are neglected and uncultivated, which means that the lots are not at all being used for farm production. Expected effect of such practice in farm land exploitation is that all land and building owners within the corridor zone had opted for financial compensation and not for the exchange that is receiving new farm land as a form of compensation for expropriated land, what was offered to them in line with provisions of the Law on expropriation. In sum, in the corridor track there were no owners/households that deal in non-agriculture business or any households whose main income source comes from farm production. Additionally, in line with the Law on Expropriation, households whose property is only partially within the boundaries of the corridor were offered expropriation of the whole property, should the expropriation of only one part of farm land area jeopardize further agricultural dealings and by that the existence of the household.

Valuation of compensation for losses shows data on the number of submitted expropriation applications, as well as on the number of agreements on the compensation form and amount made by mutual agreement. Of the total of 1255 cases only 10 were not resolved by mutual agreement but instead they were forwarded to the competent municipal court following the decision on the compensation amount made by the Appeals Commission. Among households with property within the corridor track, there are no vulnerable households (households with only old age members, those are households with no members under age of 65, households with disabled members that

require constant care and aid from other persons etc.), that is households that would require certain forms of support during relocation. During the negotiation process on form and amount of compensation for the expropriated land, no household has demanded some other form of support such as social or support in purchasing new land, construction of a new housing facility, croft arrangement etc. The only required form of compensation was the one in financial equivalent, especially for expropriated real estate property, while none of the owners affected by the planned project exercised their right to accept compensation in adequate land.

### **Zone of indirect effects in the vicinity of corridor**

In the area of protective belt of 300m there are no settlements or inhabited households, except in the tunnel entrance zone, for which special protection measures are provided. Outside the belt, there are a smaller number of crofts with permanently or temporarily residing population. Protection measures are provided, including design solutions and monitoring during construction and in stages following construction.

### **Zones influenced by intensive traffic volume on the existing track of E 80 Motorway, which will be relaxed.**

Section construction will enable the relocation of the transit traffic from existing regional road, leading through Sicevacka gorge that link the City of Nis to the settlements Crvena Reka, Crveni Breg, Veta and Bela Palanka. In this way spatial and functional integration of these settlements with the nearest and largest administrative center (Nis) will be provided as well as considerably improved availability and safety of social, health, educational, cultural and other services organized in Nis which lack in these four settlements. Redirecting of transit traffic shall provide a higher level of safety for children attending the local school in Crvena Reka.

## CHAPTER II – LEGAL FRAMEWORK AND RESETTLEMENT POLICY PROVISIONS

### 2.1. Legal process for Expropriation

The applicable legal framework for Expropriation was described in RPF. The most important features of the Law on Expropriation are provided below:

- a) It is intended to ensure simple, efficient process which be completed within six months.
- b) The fair value of the land affected by a particular scheme, or project, is determined by the Tax Administration, on behalf of the „Beneficiary of Expropriation”. The value is assessed on the basis of comparable sales transactions in the area in the recent past.
- c) In the case of privately owned agricultural land, if comparable land of the same type and quality, or the appropriate value, in the same area or vicinity (Article 15 of the Expropriation Law) identified by accredited expert is offered to the projected affected person with formal title.
- d) In case of disagreement on the comparability of the land offered, a different accredited expert would be hired by the local municipality to determine the comparability of the land offered.
- e) Further disagreement would result in the project affected person resorting to the judicial process, where a decision would be made on the comparability of the land, or the payment of the assessed fair value in monetary terms.
- f) Where comparable land cannot be identified, the project affected person with legal title is offered the assessed fair value as determined by the Tax Administration. If the project affected person wishes to challenge the assessment of „fair value” they can resort to the judicial process.
- g) For the project affected person, without formal title, there is no provision to pay compensation currently under the Law on Expropriation. In case where there is a conflict between the Republic of Serbia Laws and WB policy the provisions of the RPF and the relevant safeguards will apply.

In the case of the Corridor X Highway project/program, the Beneficiary of Expropriation is PERS, on behalf of the implementing entity, the K10DOO, or in future the latter directly on its own account.

### 2.2. Expropriation Process followed for E 80 Highway

Public interest for expropriation, i.e. administrative transfer of immovable property – land and structures on the land for the purposes of construction of the E 80 motorway from Belgrade – Nis to border with the FYROM, was determined by the Decision of the Government of the Republic of Serbia, o5 No 465-3654/08 dated September 11<sup>th</sup> 2008 published in “Official Herald of the Republic of Serbia“ No 84/2008. The following are some of the selected provisions of the expropriation.

The Law on Expropriation requires the Beneficiary of Expropriation to justify the need for expropriation and to demonstrate that the scheme cannot occur without the proposed expropriation. The declaration of public interest/use is a special procedure, which precedes and enables any property acquisition and expropriation. When the scheme is declared to be “of public interest,” a concrete expropriation proposal by the Beneficiary of Expropriation is prepared and then submitted

to the relevant municipality encompassing the PAPs. A concrete expropriation proposal is prepared for each PAP that contains the amount of land involved, the assessment of fair value for any immovable property, the justification of the need for the specific expropriation, together with the confirmation that the scheme is included in the relevant regional and/or spatial plan. The concrete expropriation proposal also involves the Beneficiary of Expropriation arranging a Bank Guarantee with a Commercial Bank for the assessed fair value. This assessment is prepared by referring to the Cadastre Register, which provides details on the title holder, the immovable property, the type of land, and the area of the affected land. The concrete expropriation proposal also obliges the Beneficiary of Expropriation to submit a request to the Cadastre Office, Land Registry, or other public register, to prevent any transaction (Article 32) on the land to be expropriated.

Immovable property, as defined, may be expropriated when necessary for the construction of facilities or undertaking of works of “public interest/use.” The key assumption is that the scheme cannot progress without expropriating the immovable property. The assessment of fair value takes into account the value of land, the cost of structures and installations, crops, woods, trees, fruit bearing trees, age of crops, vineyards, and the time needed to reproduce them. The impact of the scheme on the value of land will not be considered in the fair value of the immovable property. Under the Law, expropriation must be completed and all PAPs are compensated in comparable land or in monetary terms, before the Building Permit (or Construction License) is issued to the contractor to mobilize and start the civil works. In the event that a project affected person (s) disagrees with the offered compensation in either form, they can resort to the judicial process, and the Beneficiary of Expropriation can request the Ministry of Finance, on an exceptional basis, for the permission to access the said plot (s) (Article 35).

For any specific scheme to obtain public interest status, the Beneficiary of Expropriation is obliged to submit to the Government (through the Ministry of Finance) the feasibility study, the justification of the need for the specific expropriation, the estimated costs, the estimated land affected, and to the extent that details are available, the number of affected plots of land. The request for the designation must also document that the scheme is included in the relevant local, regional, or spatial plan. The public interest status can be granted at either national, or local, level depending on the specific Beneficiary of Expropriation, and the nature and size of the „scheme”.

The Beneficiary of Expropriation is not required to prepare a social assessment (socioeconomic study) or a baseline census with regard to PAPs.

### **2.3. Resettlement Policy provisions**

The RPF outlines the process of expropriation and additional support for various categories of affected people and the process of carrying out the social impact assessment and preparation of Resettlement Action Plan (RAP) prepared consistent with the Serbian Government’s laws and the World Bank’s operational policy provisions for involuntary resettlement has been adopted by the Government of Republic of Serbia for this program has been adopted. The key additional support in addition to compensation under Expropriation is described below (See Annexure IV):

- a) **Unviable or redundant parcel:** An accredited expert, on behalf and at the PAP request will make an evaluation whether the remaining parcels are economically unviable. This assessment is done on site, in the presence of the PAP, the beneficiary of expropriation and representatives of the Municipality. In case of these, the affected people will be offered an option to surrender and receive compensation for the entire parcel of land.

- b) **Land needed for project works on temporary basis:** In case of any land parcels required during the construction period on temporary basis, the lands will be taken on lease basis and rental allowances will be paid for temporary duration.
- c) **Loss of Houses:** In addition to compensation under expropriation, the families losing houses will receive additional support for moving expenses, transitional allowance and costs towards administrative and transfer taxes. Moving expenses are defined as costs to move households by truck, costs to move households by accredited moving companies, according to the price list for similar moving in the area. According to the Law on Taxes and Tax administration, PAPs are exempted from all and any such obligation to pay administrative and transfer taxes. Transitional allowances are defined to the maximum of 3 months minimum wages at the value given by the Republic Organization of Statistics for the month the payment is being made.
- d) **Non title holders occupying the public lands:** Compensation to replace lost assets to the project.
- e) **Affected leased public properties:** Assistance to provide alternative corresponding equivalent public properties.
- f) **Tenants, employees or workers:** Compensation for loss of income and replacement cost for any investments, three months livelihood assistance in the amount of maximum three minimum wages. The replacement cost is determined by an accredited expert.
- g) **Impact on business:** Relocation cost of affected business and replacement cost of business is determined as cash compensation at replacement cost for affected structure calculated based on the market price determined by the Accredited experts office, one time allowance for costs of moving, calculated as moving expenses, and taxes. Replacement cost of affected business, cash compensation at replacement cost for affected structure calculated based on the market price determined by the Accredited experts office, one time allowance for costs of moving, calculated as moving expenses, and taxes.
- h) **Assistance to Vulnerable people:** Households with many dependants,<sup>1</sup> unemployed heads, households with disabled and poor households (households with incomes less than 8.800,00 RSD per household member are defined as the ones at the poverty line) if identified, will be provided additional support as monthly allowance in the amount of the monthly minimum wage for a period up to 6 months utmost.

## 2.4. Institutional framework

Under current regulations there are several institutions involved in the entire process of land acquisition. The details of various institutions and their role in expropriation process are outlined below.

### Local Municipality

The role of the municipality is to handle all expropriation proposals submitted by the Beneficiary of expropriation. Its authority also lies in handling the compensation process.

---

<sup>1</sup> Dependants are being defined as household members who cannot take care of themselves and require alternative care and help either by family members or specialized persons or services. The level dependency of the household is being defined through comparison between the number of dependants and number of household member capable of running and supporting and caring of the households and its members and if the number of nondependent in a level more than a rate 1:2 in favor of the dependants.

**Ministry of Finance**

The role of the Ministry is to propose to the Government for the Scheme to obtain Public interest. It is also deciding on the Appeals in second level related with expropriation and property real rights.

**Tax administration office**

Its rule is to determine the market value of the land being expropriated.

**Ministry of agriculture**

Its rule is to submit to the PERS information regarding available agricultural land that can be offered as compensation according to the lines of 15 of Law of expropriation.

## **CHAPTER III – EXPROPRIATION AND COMPENSATION PAYMENT**

### **3.1. Introduction**

Public interest for expropriation and administrative transfer of immobility, for construction of Highway E 80 section Prosek – Crvena Reka, was enforced by the Governments decision according to article 20 Law of expropriation (Official Herald of Republic of Serbia no. 53/95, 23/01, 20/09). The Governments act has been made public at the Official Herald of Republic of Serbia No 84/2008.

### **3.2. Expropriation Process**

The expropriation has been carried out and finished by the end of September 2010, for a length of 22.5 km and covered the cadastral municipalities of Nis and Bela Palanka, whereas the total expropriated area amounts to 2067791m<sup>2</sup>. Upon the legal validity of the decision on expropriation, the owners of the expropriated properties have been given written offers on the compensation amount for the land, plants and structures. Upon the completion of the expert survey by agricultural expert, the offer for the expropriated land will be made depending on the location, quality and purpose of the land. The value of plants has been determined by the agricultural expert from the Institute for Expert Analyses of the City of Belgrade, and in accordance with Article 45 – 47 of the Law on Expropriation (harvest, age, fertility, undercoated investments...).

### **3.3. Compensation cost for standing crops**

Compensation cost for standing crops is determined by an accredited expert and include the value of crops, including the time needed to reproduce them. Fruit bearing trees the value of the harvest, including the value of time needed to reproduce such a harvest, the replacement cost for any investment (input, labor, etc) made to raise new plants vineyards and orchards until they reach full yielding potential young vineyards or orchards not yet fruit bearing, the replacement cost for any investment made for raising a replacement vineyard or orchard, including the value of time needed to reproduce replacement vineyards or orchards and compensation for lost yields for each year from the year of expropriation. Nursery the replacement cost for any investment made on planting material not utilized ( See Annexure IV).

A process has been adopted for negotiations with the local population/households, whose land or structures are located within the boundaries of the impact area, which can have an effect on works and the forming of a new traffic way. After filming the terrain, the properties which will be the subject of expropriation and the owners of these properties were recorded. Owners have been offered two models of expropriation: (1) Providing ownership of new land in exchange for the expropriated land (agricultural), and (2) Payment of money in the amount of the estimated market value of the land or structures.

### 3.4. Structures and property in the zone of Prosek - Crvena Reka along the Highway E 80

The land that has been acquired, in the zone of Highway E 80 for construction of the Section Prosek- Crvena Reka is identified through the Main Design for this section and the Elaborate on expropriation. There are no inhabited settlements along the route. During the farmland expropriation all owners opted to be financially compensated instead of receiving other land in exchange for the expropriated land. Obviously, the reason for this is the fact that the land within the corridor zone is not used as a primary or basic income source of the households, but instead the farm production is predominantly pursued for the needs of the households itself or as additional income. Additionally, some of the farm lots which are the subject of expropriation are neglected or uncultivated. Additionally, in line with the Law on Expropriation households whose property is only partially within the boundaries of the corridor were offered expropriation of the whole property, should the expropriation of only one part of farm land jeopardize further agricultural dealings.

### 3.5. Additional Support

Among households which possess property within the corridor route, no vulnerable households were identified. During the negotiation process on the amount and form of compensation for the expropriated land, no household requested any other form of support such as social support or support in purchasing new land, croft arrangements etc. The only requested form of compensation was the financial equivalent while none of the owners affected by the planned project exercised their right to or demanded a benefit in terms of higher compensation amount as provided by *Anexure III – Entitlement Matrix of the Resettlement Policy Framework for Corridor 10*).

### 3.6. Identification of Impact categories

Based on the extent of losses suffered by the affected households, they are categorized based on the entitlement matrix and are summarized in a table below.

Impact category	No of losses	Entitlements
Loss of Entire land	405	Compensation for land and standing crops
Loss of partial land and reaming viable	850	Compensation for land and standing crops
Vulnerable households	0	For this group the compensation and assistance is to ensure that they will be no worse after the project and can maintain and restore their livelihood. This group will benefit from the activities of the RAP.

## **CHAPTER IV – SOCIAL IMPACT ASSESMENT**

### **4.1. Social Impact Assessment**

The provisions of RPF require that the implementing agency carry out a Social Impact Assessment (SIA) for project area to identify the social impacts associated with the project and also collect the baseline socio-economic characteristics of the project affected households which will become the basis for assessing whether the project has realized the resettlement objectives of improving or regaining the pre-project living standards among the PAPs.

The SIA normally expected to be carried out as soon as the project impacts are finalized and the PAPs are identified. Such an assessment has been done as well on this section although such surveys were not usually carried out under Serbian laws. Legal regulations in Serbia do not envisage an obligation for the project ordered or contractor to carry out an evaluation of effects of the planned activities on the social development of the community, especially on the populace and households which are directly or indirectly affected by these activities. SIA analyses have not yet been applied in infrastructure and other plans and development projects in Serbia. Valid laws in the area of planning, construction and expropriation do not oblige or envisage the carrying out of an SIA, regardless of the number of households or residents which are located in the area which is the subject of the plan or which will be directly affected by the planned activities. In another document, which just recently became a required part of infrastructure project preparations (Environmental Impact Assessment), elements of social development are only marginally included and encompass a modest number of indicators of socio-economic characteristics of the population in the planned area.

The socio-economic survey of PAPs whose estates are to be expropriated for the purpose of construction of the Corridor 10 route in the municipality of Bela Palanka – were carried out during April and June 2010. The surveying of households is carried out during informing and pronouncing of owners of the real estate subject to expropriation on their rights and expropriation modalities. The survey was carried out on the basis of a questionnaire, pursuant to provisions of the Framework Resettlement Plan, in compliance with mayor impact and minor impact criteria. So far the surveying has been accepted by 505 citizens, while a number of citizens have taken part in talks referring to problems of the everyday life in the settlement Crvena Reka and difficulties they face in the expropriation procedure (13 citizens, 28 April 2010). The processed data from the survey is given in Supplement 2. Almost all surveyed citizens have said that they still have agricultural land in their ownership, except for seven surveyed citizens who said that they don't own any agricultural land any more. In further procedure, the statements on farm land ownership are to be checked in the municipal cadastre service, in case that a request for further compensation of these citizens is made. Such Clarification is necessary and needed regarding the income of households and other elements relevant for determining the vulnerability of households and the living standards. Citizens' residential and economic facilities in this section have not been expropriated. The available data showed that these expropriations referred only to agricultural land of the area less than 20% of the total agricultural land under ownership.

## **4.2. Methodology followed for Social impact assessment**

The results achieved during the assessment were of utmost satisfaction. Polling was conducted in the facilities of Municipality of Nis and Bela Palanka. Citizens were offered the option of polling personnel coming to their homes and conducting the polling there. In the introduction section of the questionnaire it is stated that the Poll Questionnaire is a part of the activities in collecting data of importance for the evaluation of effects that the construction of the Section Prosek - Crvena Reka will have on the social development of the area especially on the population and households that are directly or indirectly affected by construction and use of this road. Data collected through this questionnaire will be used exclusively needs of the elaboration of the impact study and may not be used for any other needs.

## **4.3. Socio-economic status of Nis and Bela Palanka Municipality**

The municipality of Bela Palanka is one of the poorest municipalities in Serbia with a negative natural birthrate (-185 Newborns in 2008 and -14.4 Newborns in 2009). The estimated number of residents in 2008 was 14.381. The average age of residents is 53 years old, above the average in Serbia which is otherwise among the countries with one of the oldest populations in Europe. The total share of the working contingent (15-64 years of age) is 1883 and school-age (15-19 years) is 192.

Available data indicates an above-average level of unemployment and a below-average income level in comparison to the average in Serbia. According to data for 2008 (Municipalities in Serbia 2008), the number of employed for every 1000 residents in the municipality was 195. Of the total number of employed, women make up 42.2%. The number of registered unemployed individuals was 1500, since every existing facility employing a large number of people has been closed or is in the process of ownership transition (exception makes the factory for children's footwear production Pavle and poultry farm who show progressive employment rate), The average income for employed individuals in Serbia in June of 2010 was 29.925,00 RSD and in the municipality of Bela Palanka was 27.355,00 RSD.

From the total of around 14.381 residents in the municipality, more than one third claim a pension (4.794,00 or 33,3%). Retirement pensions make up 75%, while disability and inherited pensions make up 25%.

In this undeveloped and poor municipality, poverty is especially significant in rural areas. In the villages in the municipality of Bela Palanka there is a significantly higher share of elderly and solitary households than the municipality average. The lack of access to basic education (likely closing of the area four-grade schools with a small number of students) is an important motive in the decision of households to move into the municipality center of Nis. In the report PLA Problems and Potentials Status Survey, the most common and greatest problems of living in rural settlements in the municipality of Bela Palanka are: poor transit infrastructure, poor and unorganized water supply, low-quality and unavailable health care, poor connection to public transportation with the municipality center, and lack of sewer system infrastructure and telephone network (there are 4277 registered phone owners).

In summary, the municipality of Bela Palanka is one of the poorest regions in Serbia. The high level of unemployment, low income level, large number of beneficiaries of various types of social welfare and large number of pensioners with small pensions make this municipality a region

of multilevel deprivation. Poverty is also characteristic on the individual level (individuals and households) and on the level of the community collective consumption (spatial availability and quality of services of public interest, utilities infrastructure, transit infrastructure, frequency and quality of public transportation, etc.).

Bela Palanka is in the group of the least developed and poorest municipalities in Serbia. The municipality is of extremely emigration type, with constant decrease in the number of residents, negative population growth of even minus 14.4 per thousand (the average in Serbia is minus 4.6 per thousand). The average population age is almost five years higher than the republic average, and the aging index is even 176.9% (it is 105.9% in the Republic). The share of citizens older than 65 exceeds a fourth (25.9%) and is considerably higher than the republic average (16.5%).

<b>Comparative overview of household data</b>	<b>The Republic of Serbia - average</b>	<b>The Municipality of Bela Palanka</b>
Number of residents:		
1991 – Census		16,842
2002 – Census		14,312
2008 - Estimation		12,845
Population growth	- 4.6%	- 14.4%
Mortality of children under one year of age	6.7%	11.4%
Average population age	41.07	46.03
Aging index	105.9	176.86
Share of citizens aged 65 and older in the total population	16.5%	25.9%
Average number of household members	2.97	2.53
Percentage of single-member households	20.0%	24.9%
Percentage of two-member households	24.8%	33.5%
Percentage of families without children	30.1%	43.3%
Percentage of families with children under 25 years of age	54.1%	44.0%

The municipality of Bela Palanka has no urban-type settlements. The fact that, according to latest data, more than two-thirds of the poor in Serbia live in rural area shows the size of poverty in this municipality (The Conference “Is Serbia hungry“, Belgrade, 4 May 2010).

The municipality of Bela Palanka has extremely bad educational structure of population. Almost a third of citizens older than 15 haven't completed elementary school, and less than 3 percent have university education.

<b>Educational structure of population</b>	<b>The Republic of Serbia</b>	<b>The Municipality of Bela Palanka</b>
- without school qualifications	5.7%	6.6%
- uncompleted elementary school	16.2%	26.4%
- elementary school	16.8%	27.0%
- secondary education	4.5%	3.4%
- higher education	6.6%	2.7%

It is estimated that the number of unemployed residents of Bela Palanka is higher than the number of formally employed ones. Estimations of black market jobs, without employment contracts, range to over 50% of active population.

	<b>The Republic of Serbia</b>	<b>Municipality of Bela Palanka</b>
Share of work productive population in total population	67.1%	60.0%
Population by activity		
- active	45.3%	40.6%
- engaged in profession	35.2%	31.6%
- individuals with personal income	20.2%	26.2%
- dependent persons	34.3	33.2%
- individuals working abroad up to one-year period	0.2%	0.7%
Employment		
- total number of employed persons	1,999,476	2,508
- the share of women	43.7%	42.2%
- number of employees in a thousand citizens	272	195
- employees in business entities, institutions, cooperatives, organizations	71.4%	75.1%
- private entrepreneurs, self-employed persons, and persons employed with them	28.6%	24.9%
Unemployment		
- per 1,000 citizens	99	194
- looking for job for the first time	48.2%	35.0%
- unqualified	35.4%	47.6%
- unemployment of women	54.6%	50.2%
Average salary (2009)	33,058 dinars (about 350 EUR)	12,753 dinars (about 135 EUR)
Below absolute poverty threshold (less than 111 EUR a month)	8%	
Below relative poverty threshold	14.3%	
Number of citizens per 1 physician	356	476
Underage persons using social care in the total number of underage persons	7.9%	17.6%
Persons of full age using social care in the total number of full-age persons	4.6%	5.5%

#### 4.4. Socio-economic status of PAPs

This Section presents the findings of the baseline socio economic survey that was carried among the affected households.

No	Indicator	Value
1	Average Monthly households Income (in Euros)	270 EUR
2	Proportion of households below poverty line 8.800,00 rsd per household member	56.2%
3	Average Family Size	3.5
4	Proportion of households whose primary earnings from agriculture	none
5	Proportion of families without any earning members	16.9%
8	Proportion of households rating their economic status as "Poor"	64%

#### 4.5. Demographic characteristics

More than half of surveyed citizens were older than 60 (54.0%), which was expected having in mind that they are land owners. The share of men who are owners of expropriated land is much larger (79.8%) than of women (20.2%). This gives a rather distinctive picture about the characteristics of the households and the entire municipal area. The survey showed that the majority of the communities are men up to the age of 60 years. This could lead to the conclusion that the households have a high number of elderly people.

Years	No.	in %
Up to 60 years of age	41	46.0
61 – 70 years of age	24	27.0
Over 70 years of age	24	27.0
<b>Total</b>	<b>89</b>	<b>100.0</b>

Gender	No.	in %
Male	71	79.8 %
Female	18	20.2 %
<b>Total</b>	<b>89</b>	<b>100.0</b>

#### Permanent residence

Almost half of surveyed owners do not have permanent residence in the municipality of Bela Palanka (43.8%), and most of them are residents of Nis or Niska Banja.

Permanent residence of surveyed households' members	No.	in %
Crvena Reka	19	21.3
Other settlements in the municipality of Bela Palanka (Veta...)	29	32.6
Outside the municipality of Bela Palanka	39	43.8
Without answer	2	2.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

The data collected show no or low economic development, causing low social, health and educational conditions which lead to significant migration of population.

### Main characteristics of households

Less than a third of surveyed households (31.5%) are single households (12.4%) or married couples without children (19.1%), whether they don't have children at all, or they are grown up and established households of their own. A small number of grown up children that have moved from their parents households do not live in the same town or village as their parents. Most of them are living in Nis or in other towns in Serbia. Some of them live abroad. Nuclear families (a married couple with one more children) account for 31.5% of households, while other households (37.1%) consist of three-generation families or families comprising two adult generations. In 18 households (22.2%) live children who are absent for schooling.

Household structure	No.	in %
Single-member	11	12.4
Married couples without children	17	19.1
Married couples with children	28	31.5
Three generations or two adult generations	33	37.1
<b>Total</b>	<b>89</b>	<b>100.0</b>
Number of households with children who attend schools	18	20.2

**Old age households** (without members younger than 65) account for 22.2% of households, comprising 6.3% of single old age households and 15.9% of two-member old age households.

Old age households	No.	in %
Old age households	16	18% of the total number of households
Of which:		
Single-member	5	5.6%
Two-member old age households	11	12.4%

The average number of household members is 3.5. Two-member households are most frequent (22.5%), and they are followed by four-member households (21.3%), three-members (16.9%) and five-member households (15.7%). There are 12.4% single member households. Six households have 6 members (6.7%), one of the surveyed household is with seven members, two are eight member and one household has 12 members.

Household size	No.	in %
Average household size	3.5 members	
Single	11	12.3%
Two-member	20	22.5
Three-member	15	16.9
Four-member	19	21.3
Five-member	14	15.7
Six-member	6	6,7
Seven-member	1	1.1
Eight-member	2	2.2
12 members	1	1.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

It is common in rural areas that young members of families due to social and economic uncertainties tend to stay as long as possible with the parents who provide living conditions that they are unable to provide for themselves.

### Employment status

According to their employment status, most of surveyed citizens are pensioners (51%). Eleven surveyed citizens have permanent jobs (12.4%), while unemployed citizens account for as much as 31.5%. Two of the surveyed citizens didn't answer this question, while two of them are employed on temporary basis. From conversation with the surveyed we found out that work within the black market is quite common.

<b>Employment status of surveyed citizens</b>	<b>No.</b>	<b>in %</b>
Pensioner	46	51.7
Permanently employed	11	12.4
Occasionally employed	2	2.2
Unemployed	28	31.7
Without answer	2	3.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

Among spouses of surveyed citizens there are 14 pensioners (24.4%) and most spouses are housewives and unemployed members (54.7%). About 13.3% of spouses are employed, one of them is a farmer, and one is occasionally employed.

<b>Employment status of surveyed citizens spouses</b>	<b>No.</b>	<b>in %</b>
Pensioner	14	24.4
Pensioner without income	1	1.6
Without employment (housewife unemployed...)	35	54.7
Permanently employed	10	13.3
Occasionally employed	1	2.2
Farmer	1	2.2
Unknown	1	1.6
Without Answer	1	1.6
<b>Total of valid observations</b>	<b>64</b>	<b>100.0%</b>

In households consisting of three generations, i.e. two adult generations, the number of permanent employees among other household members is small as well (married sons or daughters, daughters-in-law, sons-in-law, etc.) – there are 11 of them in total.

### Housing status

Most households (95.5%) live in a house/flat which is in their private ownership. Only two households (2.2%) live in rented flats.

<b>Ownership of the house/flat of surveyed households</b>	<b>No.</b>	<b>in %</b>
Household ownership	85	95.5
Rent	2	2.2
Without answer	2	2.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

In general, in Serbia, the statistics show a high level of people owning housing structures. A tendency toward building houses is especially shown in non urban areas where there is a high ownership level of agricultural land.

### **Vulnerability of households**

Asked “whether there are disabled persons, members with chronic diseases or those incapable of living on their own in the household”, 22 surveyed citizens answered affirmatively, i.e. 24.7%, while 71.9% said that the household did not include such members. 3.4% of the surveyed didn’t answer this question. Chronic diseases were mentioned most often (high blood pressure, heart problems, rheumatism and so on) – 11 surveyed citizens, i.e. 14.3%. At 6.7% households live dependet members who need constant care and survelance and three have invalid memebers.

<b>Dependent household members</b>	No.	in %
Without dependent members	64	71.9
With dependent members	22	24.7
Without answer	3	3.4
<b>Total</b>	<b>89</b>	<b>100.0</b>
In the category of dependet members:		
Required care and constant surveillance	6	9.5
Disability, with preserved ability of moving and weaker working ability	2	3.2
Chronic diseases	11	14.3
Incapable of walking	3	4.8

### **Estimation of the economic status of households**

A very small number of the surveyed estimated the economic status of the household as decent (10.1%), and about a fifth of them said that it was modest – 22.5%. A third of households see the status of their households as poor (33.7%), and 30.3% of households say that the status is very poor. Almost two-thirds of the surveyed (64%) estimated their households as poor. 3.4% of the surveyed didn’t answer this question.

### **4.6. Loss of Land, structures and businesses**

The percentage of expropriated land in relation to the ownership which a polled household possesses in the municipality of Nis and Bela Palanka varies from household to household. 30% of the households reported that up to 10% of their total land is being taken by expropriation, while 5% reported that between 11% and 40% of their total land is being taken. The entire amount of agricultural property is being expropriated from three polled households (around 13%). The usage of the expropriated agricultural land varies (meadows, fields, orchards, vineyards, forest).

For a majority of the polled households, the expropriated land does not represent the basic source of income, and a little less than one fourth of the households responded that income from agricultural production from the expropriated parcels was the primary source of income for the household. Two households report that income from the expropriated parcels was of partial significance in the total income of the household. The evaluation of annual income from the expropriated land goes from natural (for the needs of the household – 16% of households), to relatively low - up to 500 Euros (40% of households), modest – around 100 Euros (58%), to relatively high - more than 1500 Euros (2% of households).

Among the reasons why the households preferred to choose monetary compensation instead of an exchange for other land Age, sickness and general inability of the owner or a member of the household to be involved in agriculture was stated by five households as the reason for the monetary compensation. The remaining households stated that the reason the money is needed is to support their unemployed children and grandchildren.

#### **4.7. Income and occupation**

The most frequent and most secure source of household monthly income is pensions. Pensions as the only source of income have 39.3% of households. Permanent or occasional employment is a sole source of income in 16.8% households. 6,7% households has incomes from pensions and permanent or occasional incomes and 3.4% households have incomes from pensions and child support.

##### **Income per household member**

When the income declared by surveyed citizens is calculated into income per household member, following values are obtained. 16.9% of households have no income. 23.6% of households have income of up to 4,400 dinars per member, and 15.7% of households have income of 4,500 to 8,800 dinars. This shows that over half of surveyed households (56.2%) live below the poverty threshold measured by income per family member, determined in the Republic of Serbia in 2009. 15.7% of households face the risk of poverty, i.e. they are slightly above the threshold, with income ranging from 8,900 to 10,000 dinars per member. 14.6% of households have monthly income per household member between 11,000 and 20,000 dinars, and only three household records monthly income higher than 20,000 dinars. 10.1% of surveyed households have income, but they were not willing to reveal their income amount.

<b>Income per household member</b>	<b>No.</b>	<b>in %</b>
Without income	15	16.9
Up to 4,400.00 dinars	21	23.6
4,500.00 - 8,800.00 dinars	14	15.7
8,900.00 -10,000.00 dinars	14	15.7
10,100.00 -20,000.00 dinars	13	14.6
Over 20,000.00 dinars	3	3.4
Without answer	9	10.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

##### **Income from dealing with agriculture**

About two-thirds of the surveyed are engaged in agriculture, exclusively for their own needs. The number of households in which other members beside the householder deal with agriculture as well is relatively small (25.4%). Agricultural activity is mostly reduced to gardens for growing vegetables, and products are used for own needs and needs of grownup children who don't live in the household with their parents. We were told that in the settlement of Crvena Reka there were only a few registered agricultural households. Besides, we also found out that it was difficult to find labor force for performing agricultural work, regardless of the huge percentage of unemployed citizens.

<b>Dealing with agriculture</b>	No.	in %
Only the surveyed is engaged in agriculture	33	37.0
Beside the surveyed, other household members are engaged in agriculture as well	22	24.7
No-one in the household deals with agriculture	34	38.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

The estimation on total income from agriculture could not be made. Such estimation is generally difficult to perform, especially when it comes to gardens and modest production for one's own needs and not for sale. When we talked to citizens we found out that the land in the settlements Veta and Crvena Reka is of low quality, while many areas are infertile, and that the only land giving yield is the narrow belt next to the river, which makes irrigation possible. This land is used for growing vegetables. As an orientation indicator we can use the data on average yields from agricultural production at the level of the Republic and the municipality of Bela Palanka. The table below shows that the yield of some field crops in the municipality of Bela Palanka is significantly below the average in the Republic.

<b>The yield of some field crops</b>	<b>The Republic of Serbia</b>	<b>The Municipality of Bela Palanka</b>
% of the municipality territory under agricultural land	65.2%	49%
The average yield of family estates		
- wheat	4068 kg/ha	2 809 kg/ha
- corn	4 630 kg/ha	2 809 kg/ha
Fruit and vegetable production		
Yield per tree in kg:		
- apples	15.5 kg	5.7 kg
- plums	14.5 kg	3.5 kg
Yield of vineyards per vine in kg	1.2 kg	0.4 kg

*Source: Municipalities in Serbia in 2009, Republic Statistics Bureau*

Asked whether they are going to continue dealing with agriculture, less than a half of the surveyed (46.1%) answered affirmatively, often underlying that they are forced to do it because they have no other sources of income. Agriculture is seen as a necessity in the absence of other alternatives. In the analysis it should be underlined that not even one household intends to buy a new agricultural lot with the money obtained from expropriated agricultural land. Dealing with agriculture is obviously a forced solution, part of the surviving strategy, and not a long-term development strategy of households. We have mentioned that the number of households in which, beside the householder (and spouse), some of younger household members deal with agriculture as well is relatively small. Agriculture is not perceived as an option for basic economic activity, and younger members do not see it as an additional economic activity either. As reasons for which they are not going to continue dealing with agriculture, i.e. reasons for which they do not deal with agriculture now, the surveyed most often (47.2% of the surveyed) mentioned that agricultural production has shown not to be economically viable, or that they are over the age that can bear such kind of activities or gave reasons of weariness and sickness, or obligations to other household members that demand permanent presence. A small number of the surveyed (6.7%) didn't answer this question.

#### **4.8. Expenditure pattern**

Within the spending structure of the households, it is expected that the largest portion of monthly income will be spent on food. In the poorest households, expenses for food make up more than 60% of the total income. Considering that all of those polled live in apartments which they own, expenses for housing encompass payment of utility services (water, electricity, heating). Among the other most common and highest stated expenses are for medicines, which in a few households take up more than one fourth of the total monthly income.

#### **4.9. Indebted**

None of the polled households are in dept.

#### **4.10. Household assets**

The economic situation of the households can also be measured through ownership of household assets. Less than half of the households have an automobile, but almost all of those automobiles are more than 10 years old, and a few are more than 30 years old. Additionally, only one household has a tractor (27 years old). All households have a television, refrigerator and freezer, and a majority of these devices are older than 10 years (televisions), and 20 years (refrigerator and freezer). Only twenty households have a computer with internet.

All of the polled residents live in residential buildings/apartments which they own. There are no households which live in private or public rental housing. More than one fifth of those polled plan to invest a portion of the funds acquired from expropriation in the construction of new houses or additions/improvements to current houses.

#### **4.11. Ways of spending Expropriation compensation**

In response to this question, those polled were able to state several ways in which they decided to spend the money received from the expropriation of land and structures. Over 70% of those polled stated that they would completely or partially spend the money on current needs including to help unemployed children and grandchildren who live in separate households. Some also stated they would use the money for obtaining medicines and health care. A few of those polled stated that they would use part of the funds for their children's education. All of the polled PAPs declared that in some portion the compensation received will be used to cover daily and already extended debts (electricity bills, telephone bills, water supply bills, etc.).

#### **4.12. Self-perception of socio-economic position**

Of the total number of those polled, 10.1% rated its socio-economic position as decent, 22.5% as modest, 33.7% as poor, 30.3% of households as very poor, and 3.4% without answer.

#### **4.13. Interest in training and certification programs**

No one of the polled was interested in any form of additional training and acquiring new knowledge, whether for themselves or for members of their households.

#### **4.14. Assessment of overall living conditions of PAP**

The subject of expropriation is agricultural land. Owners of business premises or residential facilities subject to expropriation were not recorded. A few owners announced that they were considering whether to request exchange of land for expropriated land. As a special problem they underline that it is not yet known what the expropriation price of agricultural land will be.

The project of land exchange is mentioned as an example of good practice. The agricultural land complex in the location Veta was parceled out into 46 parcels and offered in exchange for expropriated land. All 46 parcels were exchanged. However, according to information obtained on site, all of these parcels have already been sold.

Pensions are the main and most frequent permanent source of income. Pensioners are at the same time the only citizens dealing with agriculture, except for a few households that deal with agriculture because they have no other sources of income.

The unemployment rate is significant. All privatized factories ceased production either before privatization or after it. All employees were dismissed, and new owners don't manage to start production again. There are very few permanent employees (mostly in public services). People have occasional, unregistered jobs, without contracts and paid contributions for health insurance and pension.

Agricultural production is exclusively used for the needs of households. There is no market for agricultural products and people do not produce for sale. Due to the low quality of agricultural land, agricultural production for the market is not profitable. Production costs are high and placement is uncertain. Land fertility cannot be improved by agro-technical measures.

The low quality of agricultural land in the area is frequently mentioned as a reason for a lack of interest in agricultural production. There is no selling price of agricultural land. There are no examples showing that someone has bought a parcel of agricultural land in recent past. No one has expressed intentions to invest the money obtained from expropriation in purchase of new agricultural land. Only one surveyed citizen has such a plan. Members of only one household, who live in Nis but are engaged in agriculture on land in the settlement Veta, said that agricultural land was not offered for sale and that it was not possible to purchase new land. This comment is opposed to the aspiration of not such a small number of households to obtain expropriation of the remaining part of the parcel being expropriated, as well as the general endeavor to alienate the largest possible area of land in the expropriation procedure.

The young are not interested in agricultural activities. A significant number of PAP (44.4%), and especially their heirs, have permanent residence outside the municipality of Bela Palanka (Nis, Niska Banja and other places) and are not interested in maintaining ownership of agricultural land, in spite of the fact that a large number of grownup children and their spouses who live in neighboring towns are unemployed. But no one of them intends to engage in agriculture.

The local authorities are economically weak and have no assets for investments in infrastructure or stimulate for setting up business. Besides, there is no cooperation with local

authorities in other programs that might stimulate employment (training, additional education, information about programs and policies at the national level, and so on). The municipal center in Bela Palanka has no programs for young people either. No one could answer whether there is any civil society associations in the Municipality that deal with economic, social and cultural rights of citizens.

Public services are poorly developed. There is an infirmary with a permanently employed physician in the settlement Crvena Reka. Old people from neighboring settlements cannot use services of this facility because they are poorly mobile and/or have problems with transport. There are no mobile medical services or other forms of social assistance to the old and ill persons in their houses.

Although the size of poverty is huge, there are no organized soup-kitchens or information regarding potential number of its users. **The Center of Social Services** as a subsidiary of the authorized Republic Ministry provides for monthly financial assistance pursuant to the criteria determined at the national level.

Explanations we were given from surveyed citizens regarding the reasons for poor development of small sized enterprises in the private sector are the following:

- there is no security for investments – placement of products, establishing connections with other producers and players who could provide for placement of products, introduction of innovations, and so on;
- bad local infrastructure;
- there are no guarantees that in case that a private owner invests in the infrastructure it will be used and maintained in a proper way;
- bad educational structure and unqualified labor force. There are very few citizens with higher or high education, or highly qualified workers.

In the settlement Crvena Reka there are two successful companies – a poultry farm and factory for children footwear Pavle. The owner has a house in the settlement, and the farm is in the hills. This businessman managed to provide for placement of products and lives decently from this activity. The surveyed perceive that the farm is an exemption.

### Project Affected Household by category

Impact Category	Number	Entitlements
Major <sup>2</sup> Social Impact		
<u>Loss of House</u>		
Title Holder		(a) Replacement cost for land (b) Replacement cost for structure (c) Shifting allowance (d) Subsistence allowance for 6 months (e) Right to salvage material
Tenants		(a) Shifting allowance (b) Subsistence allowance for 6 months (c) Six months rental allowance

<sup>2</sup> Major Impact is based on the severity of the impact and loss of the following for the PAPs (a) loss of dwelling requiring relocation, (b) Loss of place of business requiring relocation, (c) Loss of livelihood requiring alternate source of income, and (d) Loss of 20% or more of agriculturally productive land out of the affected land holding, or Loss of land due to severance or acquisition and the remaining land is not economically viable.

<u>Loss of livelihood</u>		(a) Replacement cost for land
Title Holder		(b) Replacement cost for structure
		(c) Shifting allowance
		(d) Subsistence allowance for 6 months
Tenants		(e) Right to salvage material
		(a) Shifting allowance
		(b) Subsistence allowance for 6 months
		(c) Six months rental allowance

#### 4.15. Assessment of affected vulnerable households proposed additional assistance

As it is seen from the above mentioned and available data on the scope of poverty and level of underdevelopment in the municipality of Nis and Bela Palanka, the households which are affected by expropriation, when it comes to risk of vulnerability, do not stand out from the other categories of poor and deprived households in this municipality. There are no sufficient arguments to single out the poorest or most vulnerable within the group of households affected by expropriation being that more than ten percent of the residents of the municipality fall into the category of those who accept some form of social welfare, meaning those who are below or near the poverty line. Support for those households is institutionally defined through the criteria of social welfare. Along with that, one must keep in mind that the households affected by expropriation, even the most vulnerable, received significant material support through the process of expropriation of agricultural land. The compared data shows that in a large number of cases the price obtained from expropriation was several times more than the average annual income from agriculture.

The Beneficiary of expropriation fulfilled all the obligations given both through national legislative as well as the RPF. The compensation rate has proven to be the prevailing price as given by the Tax administration office.

The primal premise that the PAP cannot be worse after the land acquisition is completed has been respected fully. Therefore there are no sufficient arguments for individual support

It is suggested that in accordance with the good practice of social responsible companies effort should be made to improve the living standards of PAP. In cooperation with the representatives of the local Municipalities and the Social Welfare Center and after additional consultation with the citizens and PAP some of the following programmes will be developed - proposed:

- Organizing and financing public kitchens (the least of such are present in Southeast Serbia although it happens to be one of the poorest region;
- Vehicle acquisition for medical teams who will present door to door medical attention on a weekly regular basis and address in emergency cases more frequently for those PAPs that are old, live alone have chronic illness and live in rural settlements with no means of transportation;
- Organizing hot meals for children in the elementary school in Crvena Reka.

#### **4.16. Positive effects of construction of Section Prosek - Crvena Reka**

Despite the fact that the process of expropriation led to a loss of a certain amount of agricultural land for the households whose property was located within the route of the bypass, monetary compensation has generally strengthened the economic situation of the households. On one hand, the households acquired money through the transfer of land which in regular trade would go for a much lower price due to the fact that in this part of Serbia there is still no desire for agricultural land and agricultural land is not considered a significant economic resource. On the other hand, the money which was received will allow the households to improve their general quality of life (construction of or additions to residential structures) and to potentially use the money as an investment in strengthening the individual resources of the household members (education, certification, purchasing agricultural machinery, starting up a business, etc.).

Section construction will enable the relocation of the transit traffic from existing regional road, leading through Sicevacka gorge that link the City of Nis to the settlements Crvena reka, Crveni Breg, Veta and Bela Palanka. In this way spatial and functional integration of these settlements with the nearest and largest administrative center (Nis) will be provided as well as considerably improved availability and safety of social, health, educational, cultural and other services organized in Nis which lack in these four settlements. Redirecting of transit traffic shall provide a higher level of safety for children attending the local school in Crvena Reka.

#### **4.17. Consultations and Community Participation**

In accordance with the regulations and practices of planning in Serbia, consultation and cooperation with the local population was carried out within the framework of the EIA (Environmental Impact Assessment) study, which in Serbia was adopted as a mandatory phase in the drafting of project documentation for infrastructure projects. The national EIA procedure with respect to the E 80 section started on November 02, 2005, when PERS (former Serbian Road Directorate) submitted the Request to the Ministry for environmental protection (MOE) in order to obtain the document determining the scope and content of EIA Study. According to the Serbian Law on EIA (Official Gazette of RS, No. 135/04), this step was announced in the daily newspaper "Politika" (December 07, 2005), and interested parties were invited to participate in the process of defining the scope and content of the EIA Study. On January 09, 2006, the Ministry provided the Terms of Reference and that information was made public in the daily newspaper "Politika" (January 29, 2006). The Highway Institute of Belgrade prepared the draft EIA Study, which was submitted to the MOE for its approval. At the same time, PERS announced this step in the daily newspaper "Politika" (August 28, 2008), when public and other interested parties and organizations were invited to participate in process of public consultation on the draft EIA Study for the E 80 Highway Project, section Prosek – Crvena reka. Public Consultation was held in Nis, on May 20, 2008, and there were no major complaints on the prepared draft EIA Study. The EIA Study was subsequently approved by the MOE on December 05, 2008. This approval was announced in the daily newspaper "Politika" in December 2008.

In December 2008, in accordance with OP/BP 4.01 the Borrower contracted an independent consultant to prepare a Corridor Level EIA (CLEIA) for the E 80 Highway from Nis to Dimitrovgrad. Besides consolidating the already existing sub-section EIAs, the CLEIA also

addressed the cumulative, induced, indirect and trans-boundary impacts. The in-country disclosure of the draft CLEIA was carried out in the period from February 25 (when the document was made publicly available on site and on the PERS website) to March 11, when the public meetings were held in Bela Palanka. Public announcements in Serbian and English were published in the daily newspaper “Politika”, on February 25, 2009, inviting the public, authorities and relevant institutions to have an insight into the draft CLEIA. Representatives of the local self-government informed the public through local media of the time and place of public consultations.

The in-country disclosure of the draft EMP began on August 01, 2009, when public consultations were announced in the daily newspaper “Politika”. A public announcement invited the public, authorities and relevant institutions to have an insight into the EMP for the Project. Prior to announcement in the newspapers, the EMP was delivered to the Municipality of Nis and Bela Palanka and made publicly available on site, and also placed on the PERS and K10DOO websites. Representatives of the local self-government informed the public through local media (Radio – Television “Caribrod”) of the time and place of public consultations. Information about public consultation was repeated twice a day, starting from Tuesday, August 04, ending on Thursday, August 06.

The EMP was presented in detail to the interested attendees by the K10DOO representatives. Questions and comments during the public discussion mainly referred to the concept of environmental protection, prevention of accidents during construction of the bypass, storage of construction material, re-cultivation of the land after removal of waste materials, etc. Along with informing the residents and consultation related to the EIT, special consultations were conducted with residents regarding the issues related to expropriation of property and the models of compensation.

This was done in several procedures:

- Following preparation of the expropriation elaboration for each household, meaning for each Project Affected Person, which contains the area of land envisaged for expropriation, the justification of the need for the specific expropriation is presented, together with the confirmation that the scheme is included in the relevant regional and/or spatial plan. During the meeting, the municipality informs the project affected persons about the project, presents them with all the information about the level of impact on their property with maps, their entitlement based on this RPF (a copy of the entitlement matrix and the RPF will be given to the project affected persons at the first meeting) and the steps which will be taken afterward, provides them with legal advice and informs them about their rights, including the role of the independent grievance commission. In this meeting, there is no discussion of the comparability of the agricultural land or the concept of fair value. It is only a consultative meeting, informing the project affected persons and providing them with their entitlements and rights.
- Public participation was undertaken to make explicit the social factors that will affect the development impact of planned highway improvements and mediate project results. Through public participation, key social issues were identified and strategy was formulated.
- Consultations were held at local (community) level. The objectives of local level consultations were to inform the PAPs about the project, to know their perception on the project in terms of both negative and positive impacts to mitigate measures as suggested to them.

Ministry of spatial planning and Environmental protection upon the reception of proof of all necessary steps being taken issued the environmental approval 353-02-564/2008-02 June 10, 2009.

#### **4.18. Offers**

Offers are being made in the stage when the decision on the expropriation cannot be appealed any more. After that point the Beneficiary of expropriation through the Municipality of Bela Palanka proposes at first compensation in adequate land, after which in Case this offer is not accepted Beneficiary offers monetary compensation, fair value, as determined by the Tax administration office.

#### **4.19. Summary of key findings of consultation**

At the public consultations, the basic interest of the residents was directed towards comments regarding the amount of compensation for expropriated property. A small number of residents showed interest in receiving new agricultural land in exchange for that which was expropriated. The residents requested that the new parcels be in direct proximity of the city of Bela Palanka, which was a request that the Beneficiary of expropriation could not fulfill. The offered parcels of agricultural land were located at distances between 15 and 20 km from Bela Palanka. The reason for requesting land close to the municipality center is due to its perspective of being converted into development land, meaning using it for construction of residential and other structures and not for agricultural production. The owners of structures also did not request that the Beneficiary of expropriation build them corresponding (equivalent) structures, but rather preferred monetary compensation.

**(a) Perceived impact and levels of consultation.**

The fundamental and basically only theme of negotiations with the PAPs was the amount of monetary compensation for expropriated agricultural land. Sometimes the negotiations would turn into extortion of the Beneficiary of expropriation, when at public gatherings they would seek significantly higher amounts than the estimated market values of real estate, and then a day after that gathering the individual would sign an Agreement for Compensation (

**(b) Mitigation through realignment and design cross section.**

Typical design cross section adopted.

**(c) Mitigation through safety measures and traffic management. Magnitude of impact on community properties, if any.**

Settlement owned properties and government owned properties (state, local self-government) are not located within the route of the Section Prosek – Crvena Reka.

**(d) Approach to consultations during implementation.**

During implementation there will be several modes of consultation:

- Direct mode will be conducted through resettlement sessions at which there will be collected opinions regarding the expropriation;

Indirect Mode, PAPs can provide the complaints, opinions and recommendations regarding the resettlement to the monitoring body.

## **CHAPTER V – IMPLEMENTATION ARRANGEMENTS**

### **5.1 Institutional Arrangements**

#### **Roles and responsibilities of different institutions**

Institutions involved in the resettlement process are PEPS, as the Beneficiary of expropriation, Koridor 10 d.o.o. as the implementing agency, Municipality of Nis and Bela Palanka as administrative institution through which the expropriation is being completed, Ministry of Finance, ministry of Agriculture, Ministry for spatial planning and environmental protection, Land Cadastre Office, Tax Administration office, Government. The Beneficiary of expropriation PEPS is determined to be beneficiary according to the Law on expropriation. It submits proposals to the Municipality.

#### **Implementing Agency Koridor 10 d.o.o.**

- To organize all the participants to minimize the magnitude of impact from resettlement and conduct census survey, to keep data ad to train resettlement personnel who use the data.
- To make application to relevant authorities for permission of land use plan and permission of land use for construction.
- To formulate various policies on resettlement action plan.
- To train the resettlement personnel of municipalities and other organizations involved in the resettlement process.
- To train the resettlement personnel of prefecture (city) and county.
- To coordinate the project construction and implementation schedule.
- To coordinate signing of resettlement agreement with land administration departments and county (city/district) governments
- To supervise the disbursement of funds.

#### **Public Enterprise Putevi Srbije**

- Submits expropriation proposals.
- Provides budget for expropriation through the business plan.

#### **Local Municipality**

The role of the municipality of Nis and Bela Palanka is to handle all expropriation proposals submitted by the Beneficiary of expropriation. Its authority also lies in handling the compensation process.

#### **Ministry of Finance**

The role of the Ministry is to propose to the Government for the Scheme to obtain Public interest. It is also deciding on the Appeals in second level related with expropriation and property real rights.

#### **Tax administration office**

Its role is to determine the market value of the land being expropriated

#### **Ministry of agriculture**

Its role is to submit to the PEPS information regarding available agricultural land that can be offered as compensation according to the lines of 15. Of Law of expropriation.

### **Cadastral office**

Registers all changes on the land affected by the expropriation.

### **Ministry spatial planning and environmental protection**

It issues building permits.

### **Implementation support from Koridor 10 and the Center for Social works**

The Centre of Social Works, as a specialized center who covers the entire Republic of Serbia, is a recourse for all data collected in reference to all the social issues.

### **Role of Monitoring & Evaluation consultants**

The construction consultant will have a social safeguard specialist on their team whose responsibilities is to ascertain any temporary impacts related to land requirements of safety purposes and ensure that they receive support in line with the RPF and this will reflect in the progress report.

The role of the consultant is to monitor and report on the effectiveness of RAP implementation, including the psychical progress of resettlement and rehabilitation activities, the disbursement compensation, the effectiveness of public consultation and participation activities. The TOR for M&E Consultants is shown in ANNEXURE IV.

This RAP will provide a coherent monitoring plan that identifies the organizational responsibilities, the methodology, and the schedule for monitoring and reporting. The three components of a monitoring plan should be performance monitoring plan should be performance monitoring, impact monitoring, and completion audit. The scope of the monitoring plan should be completion audit. The scope of the monitoring plan should be commensurate with the scale and complexity of the RAP.

## **5.2 Performance Monitoring**

Performance monitoring is an internal management function allowing the sponsor of the organizations responsible for resettlement to measure physical progress against milestones established in the RAP. Progress is usually reported against a milestones established in the RAP. Progress is usually reported against a scheduled of required actions (typically displayed through such devices as bar charts, Gantt charts, or MSProject Tables).

Examples of performance milestones will include:

- Public meetings held;
- Census, assets inventories, assessments, and socioeconomic studies completed;
- Grievance redress procedures in place and functioning;
- Compensation payments disbursed;
- Housing lots allocated;
- Housing and related infrastructure completed;
- Relocation of people completed;
- Income restoration and development activities initiated;
- Monitoring and evaluation reports submitted.

## **5.3 Impact Monitoring**

Impact monitoring gauges the effectiveness of the RAP and its implementation in meeting the needs of the affected population. Depending on the scale of resettlement, impact monitoring is conducted by the project's management (such as an internal Project Resettlement Unit) or an independent external agency. The purpose of impact monitoring is to provide the sponsor and/or the agency responsible for RAP implementation with an assessment of the effects of resettlement,

to verify internal performance monitoring, and to identify adjustments in the implementation of the RAP as required.

#### **5.4 Impact evaluation**

After one year after expropriation has been completed and the assistance to the PAP has been paid there will be an impact evaluation to assess whether the PAP have improved their living conditions in relation with the baseline socioeconomic status collected during the SIA.

Land acquisition and resettlement widely involve many aspects and relate excessively to benefit PAP, thus during the implementation PAP complaint and grievances on the resettlement and compensation are inevitable to occur. In order to solve successfully the complaint and/or grievance, PERS has established an independent body according to the RPF, to proceed the grievances fairly and effectively, to ensure the smooth implementation of resettlement and land acquisition.

According to The Resettlement policy Framework Beneficiary of expropriation shall establish an independent Grievance Commission, from representatives of the PEPS, Implementing Agency Koridor 10, Municipality and representatives of PAPS.

The Grievance commission (GC) was established by the General Director s of PERS act. The main responsibility of the Grievance Commission is too transparently and practically collects and deals with all complaints or grievances fairly and effectively. The body assembles 7 members. Three of them are elected from and amongst the PAP, one is delegated by the Implementing entity Koridor 10 LLC, Two are delegated from the beneficiary of expropriation PERS and one member is from the Local Municipality.

The Mode of registering the Grievances is as follows:

- a) The grievance can be registered orally or in writing with the Local Municipality regardless to the stage of the expropriation. If it is an oral grievance, the grievance commission must record the complaint in writing and must respond to the grievance within 3 weeks. If the complaint is not understandable or has to be clarified in any way, the Grievance commission can advise and give legal assistance to the PAP in order to articulate the grievance in the best interest of the PAP.
- b) The grievance can be registered through the minutes by the Local Municipality whilst discussing the proposed compensation.
- c) The grievance can be registered by mail sent directly to either PERS, K10DOO.

The grievances that are registered may be basically categorized into the following types

- a) Grievances related to the entitlement framework and implementation, such as discrepancies related to structures and ownership; Categorization of the structure and area occupied, claims related to ownership and occupancy status to the value of crops;
- b) Grievances related to the value of land and other immovable properties, such as the assessment of fair value determined by the Tax administration office weather the PAP is not satisfied with the value or with the parameter used; and
- c) Grievance related to the value of crops, fruit bearing plants, vineyards, orchards and nurseries

#### **5.5 Procedure of Grievance mechanism**

The typical procedures includes: appeal, receipt and verification, resolution through grievance redress committee meetings, intimation to the applicant on the outcome of the decision, public information and documentation.

## **5.6 Principles to treat Complaints**

The Grievance Commission at all level conducts a field survey on the PAP complaint and treats the complaints fairly and objectively according to national laws & regulation, principles and guidelines given through the RPF and the outcome will be sent to the compliant.

## **5.7 Record of complaint and appeal and Follow up Feedback**

During the implementation of RAP, Grievance Commission will record and manage the complaints and the results of treating the complaints. In order for complete records of treating the complaint there will be an electronic monitoring system through the archive system of the PERS and a table recording system as shown in Annexure.

## **5.8 Administering the payment of Compensation and R&R assistance**

The compensation rate for resettlement of Corridor X Highway project will abide the following principles:

- All compensation rates relating to resettlement will be determined in accordance with relevant laws promulgated by the Republic of Serbia in Special compliance with the WB s basic principles of operational policies (OP 4.12) on involuntary resettlement.
- Compensation funds will be acquired prior to land or propertie acquisition.
- The ultimate purpose of compensation to displaced persons to improve the standards of living of displaced persons or at least restore their living standards to the pre-displacement level.
- Compensation rates shall be determined by the Tax administration office.

## **5.9 Income restoration Measures**

The basic objective of income restoration activities is that no project-affected person shall be worse off than before the project. Restoration of pre-project levels of income is an important part of rehabilitating individuals, households, and socio-economic and cultural systems in affected communities. Income restoration schemes will be designed so as to benefit the PAPs.

## **5.10 Dealing with Temporary Impacts/additional impacts during construction**

Additional impacts will be dealt with in the same manner as described in this document.

## **5.11 Data base management**

A census Database will be created by the consultants. This database will be transferred to the implementing unit for up gradation and further use. The main purpose of the data base and use will be to (i) track progress of R&R implementation (ii) for determining the entitlements to be paid; (iii) track pending entitlements and amounts; (iv) organizing outputs for periodical reports and other project requirements; and (v) establishing input formats. The Database consultants will be responsible for (i) modifying the input/output formats to the project requirements; (ii) Training of field level staffs; (iii) aid the PEPS in finalizing the entitlements of each PAPs; (vi) provide for

decision making at the PIU; (vii) Monitor and regulate the land acquisition, distribution of compensation and assistance, grievance redress and financial progress

### **5.12 Disclosures**

This RAP in compliance with the EIB policies will be publicly disclosed at the official website of Koridor 10 d.o.o. website of PERS, at the website of Municipality of Nis and Bela Palanka as well as the web site of the European Bank for Investment. The salient features of RAP and the R&R policy will be translated in Serbian and disclosed.

### **5.13 Coordination with Civil works and certification**

The resettlement program will be co-coordinated with the timing of civil works. The required co-ordination has contractual implications, and will be considered in procurement and bidding schedules, award of contracts, and release of cleared COI sections to project contractors. The project will provide adequate notification, counseling and assistance to affected people so that they are able to move or give up their assets without undue hardship before commencement of civil works. Under the provisions of the RPF the commencement of works will be allowed after the compensation has been paid in full or their grievance has been registered.

### **5.14 Budget and costs**

Basic Cost of resettlement includes land compensation cost, compensation for standing crops, compensation for all affected categories given in the Table 1 Entitlement Matrix Of the RPF, indirect loss of households move, compensation for house relocation, compensation for immovable objects attached to the a land and other taxes.

All the funds made available through PERS are estimated and designated through the Law of the Budget for 2010. By which the necessary amount of needed funds are transferred to the PEPS. The Government made those funds operable by passing the Law through the Parliament The law of the Budget has been passed through the Parliament and disclosed at the Official herald of Republic of Serbia No 107/2009.

### **5.15 Implementation schedule**

<b>No</b>	<b>Target</b>	<b>Date</b>
1.	Orientation Workshop	March, April 2010
2.	Finalization of expropriation	September 2010.
3.	Disclosure of document	October 25 <sup>th</sup> , 2010

### **5.16 Monitoring and Evaluation**

#### Internal Monitoring

The internal monitoring is a conventional monitoring of government related to physical factors such as, number of families affected, resettled, assistance extended infrastructure facilities provided, etc. and other financial aspects, such as compensation paid, grant extended, etc. the

internal M&E must be simultaneous with the implementation of the Resettlement Action Plan (RAP).

The objectives of the internal monitoring are:

- Daily Operations Planning;
- Management and Implementation; and
- Operational Trouble shooting and Feedback.

The periodicity of internal monitoring could be daily or weekly depending on the issues and level.

### **5.17 External monitoring**

An external monitoring and Concurrent evaluation consultant will be appointed to monitor and evaluate R&R programs on periodical basis. The role of such a consultant will facilitate process of R&R and thus provide support in the proper implementation of resettlement programs. It should also bring the difficulties faced by the PAPs to the notice of PIU so as to help in formulating corrective measures. As a feedback to the PIU and other concerned, the external consultant should submit quarterly report on progress made relating to different aspect of R&R.

The objectives of the external monitoring are:

- To track resettled and host population over time in order to document the restoration of incomes and standard of living.
- Determine remedial action if required.
- If income and standard of living of the PAPs has at least been restored and has not declined.
- In case of host population, whether income and standard of living of host population have not declined due to influence of resettlers.
- Whether resettlers and host population has re-integrated with each other.

Further issues on the matter on monitoring and its consultants are described in Annexure IV.

### **5.18 Concurrent Evaluation**

This evaluation will be carried out simultaneously with the monitoring. For concurrent Impact Evaluation the M&E consultant shall:

- Verify whether the objectives of resettlement have been realized, particularly the changes in the living standards;
- Impact assessments is to be compared with the baseline values for key socioeconomics as given in the RAP;
- To assess whether the compensation is adequate to replace the lost assets;
- Assess the level of satisfaction of the various assets provided as part of R&R implementation;
- Based on the impact assessment, suitable remedial measures are to be proposed for any shortcomings and;
- Remedial measures if PAPs are not able to improve their living standard.

# ANNEXURES

## ANNEX I - Poll questionnaire

This Questionnaire is a part of the activities in collecting data of importance for the evaluation of effects that the construction of the E 80 Highway section Prosek – Crvena Reka would have on the social development of the area, and especially on the population and households that are directly or indirectly affected by construction and use of this road. This poll questionnaire was developed based upon the methodology and requirements of the EIB.

Data collected in this questionnaire will be used exclusively for the needs of the elaboration of the Impact study and may not be used for other needs. Please cooperate and thus help us collect the necessary data for the benefit of the households possessing property which is the subject of expropriation.

### Poll questionnaire

#### 0. Identification of household

- 0.1. First and last name of head of household \_\_\_\_\_
- 0.2. ID No. \_\_\_\_\_
- 0.3. Address (place, street and number) \_\_\_\_\_
- 0.4. Ownership status of apartment or apartment building (mark appropriate): owner, tenant of apartment in private ownership, tenant of state-owned apartment

#### 1.0. Type of influence to which household is exposed due to construction of the highway E 80 (mark appropriate):

##### 1.1. The loss of agricultural land

- 2.1.1. The total area of expropriated lot \_\_\_\_\_ and area of expropriated part of the lot in square meters \_\_\_\_\_
- 2.1.2. The percentage of expropriated land in relation to the total ownership of agricultural land on the territory of the municipality \_\_\_\_\_ %
- 2.1.3. The purpose of the expropriated land (mark appropriate): predominantly plowed land, predominantly vineyard, predominantly orchard, something else  
\_\_\_\_\_
- 2.1.4. Does your household employ external workers for the cultivation of expropriated land? YES  
NO
- 2.1.5. Is the expropriated land the basic source of income of your household? YES NO 2.1.6. How much income do you earn annually from this land? \_\_\_\_\_
- 2.1.7. Why did you choose funds for expropriated land instead of other agricultural land?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**1.2. The loss of a residential structure (mark appropriate)**

2.2.1. The purpose of the building (mark appropriate): for permanent residence; vacation and recreation; agricultural works

2.2.2. Gross area of the building \_\_\_\_\_m<sup>2</sup>

2.2.3. Year of construction/reconstruction of building \_\_\_\_\_

2.2.4. Construction quality (mark appropriate): solid material; handy material

2.2.5. The following exists in the building (mark appropriate): kitchen, bathroom, connection to water supply of the settlement/pneumatic pump station; connection to sewer system of the settlement/outfitted with septic tank, electrical power.

**1.3. The loss of business – business premises**

2.3.1. Gross area of the building \_\_\_\_\_m<sup>2</sup>

2.3.2. Type of business \_\_\_\_\_

2.3.3. The number of employees (out of which members of household \_\_\_\_\_, other \_\_\_\_\_)

2.3.4. Monthly net income from business \_\_\_\_\_ RSD

2.3.5. Total monthly turnover/circulation \_\_\_\_\_RSD

**1.4. The loss of other land** (wood, pasture land...), area \_\_\_\_\_m<sup>2</sup>

**2.0. Demographic structure of the population:**

No.	Name	Relation to head of household	Sex	Age	Education	Occupation	Employment status
1							
2							
3							
4							
5							
6							
7							
8							

Relation to head of household: fill in – father, mother, son, child, wife, daughter-in-law, grandmother, grandfather.....

Sex: M – male; F – female

Age: fill in the age

Education: fill in the highest degree of education or craft

Occupation: fill in the current occupation: driver, teacher ..., pensioner, housewife, pupil, student.

Employment status: permanent employment, employment for specific period, occasional employment, unemployed....

**3.0. Total monthly income of household (collectively for each type of income)**

**3.1. Income from work**

- 3.1.1. Income from permanent employment \_\_\_\_\_ RSD per month  
3.1.2. Income from occasional employment or employment for specific period of time \_\_\_\_\_ RSD per month  
3.1.3. Income from pensions \_\_\_\_\_ RSD per month  
3.1.4. Agricultural income, total \_\_\_\_\_ RSD annually.

**3.2. Income from social welfare and help**

- 3.2.1. Social welfare \_\_\_\_\_ RSD per month  
3.2.2. Children support \_\_\_\_\_ RSD per month  
3.2.3. Disability welfare \_\_\_\_\_ RSD per month

**3.3. Income from real estates**

- 3.3.1. Lease of house or apartment \_\_\_\_\_ RSD per month  
3.3.2. Lease of agricultural land \_\_\_\_\_ RSD /per month.

**5.0. Credit indebtedness of household.**

Does the household have the obligation to repay credit on a monthly basis? NO YES

If answer is YES, fill in the amount of monthly payment, and the amount of total credit indebtedness \_\_\_\_\_.

**6.0. How does the household estimate its social –economic position:**

- 6.1. As above average  
6.2. As average  
6.3. As very modest  
6.4. As poor

**7.0. How do you plan to spend the money received from expropriation:**

- 7.1. For purchasing a construction lot for building a house (for himself/herself or children), in which town/city? \_\_\_\_\_  
7.2. For purchasing and apartment, in which town, city? \_\_\_\_\_  
7.3. For starting a new business  
7.4. For purchasing new agricultural land  
7.5. For purchasing equipment and devices for household  
7.6. For purchasing a car  
7.7. For purchasing a truck or tractor  
7.8. For current living  
7.9. For other, what \_\_\_\_\_

**8.0 Is any household member interested in some kind of additional training and acquisition of new knowledge:**

- 8.1. Yes, what kind of training, i.e. courses \_\_\_\_\_  
8.2. No, why? \_\_\_\_\_

**9.0 Please, provide us with data on how you distribute and what do you spend monthly income on:**

- 9.1.Food \_\_\_\_\_ RSD/ monthly  
9.2.Costs of lodgment \_\_\_\_\_ RSD/ monthly  
9.3.Clothes, footwear \_\_\_\_\_ RSD/ monthly  
9.4.Hygiene \_\_\_\_\_ RSD/ monthly  
9.5.Education \_\_\_\_\_ RSD/ monthly  
9.6.Transportation \_\_\_\_\_ RSD/ monthly  
9.7.Medicines and medical treatment \_\_\_\_\_ RSD/ monthly  
9.8.Other, fill in \_\_\_\_\_ RSD/ monthly

**10. Which of the following devices do you possess in your household: (mark appropriate)**

- 10.1.Car, \_\_\_\_\_ years old  
10.2.Tractor , \_\_\_\_\_ years old  
10.3.TV, \_\_\_\_\_ years old  
10.4.Refrigerator, \_\_\_\_\_ years old  
10.5.Freezer, \_\_\_\_\_ years old  
Computer with internet connection

**Thank you for your cooperation!**

**Questionnaire filled in by** \_\_\_\_\_

**Date and time of interview**

**ANNEXURE II - Grievance recording template**

Receiving Unit		Date	Location	
Name of complainant PAP	Content of complaint	The request mode of solving the complaint	Proposed plan	The actual results of treating the complaint
Number of complaint				Recorder Member of Grievance Commission*

**ANNEXURE III Entitlement Matrix (in lines with RPF, June 2009)**

<b>Affected Categories</b>	<b>Entitlement</b>
Loss of entire land holding	(i) offer of replacement agricultural land of equivalent productive value in the area and vicinity of the land being expropriated, together with all transfer/administrative taxes; or (ii) monetary compensation based on the assessed fair value.
Partial loss of land	(i) offer of replacement agricultural land of equivalent productive value in the area and vicinity of the land being expropriated, together with all transfer/administrative taxes; or (ii) monetary compensation based on the assessed fair value.
Unviable, redundant parcels of land/structures	If a remaining parcel of land after expropriation is not economically viable, it will be acquired and compensated if the project affected person so desires.
Structures and installations on the land (barns, shacks, fences, etc.)	The replacement cost for any investment made, and the value of time invested in construction.
Crops	The value of the crop, including the value of time needed to reproduce such a crop, and the replacement cost for any investment made (input, labor etc.).
Fruit bearing plants, vineyards, and orchards	The value of the harvest, including the value of time needed to reproduce such a harvest, the replacement cost for any investment made, (input, labor etc.) to raise new plants, vineyard or orchard until they reach full yielding potential.
Young vineyards or orchards not yet fruit-bearing	The replacement cost for any investment made for raising a replacement vineyard or orchards, including the value of time needed to reproduce replacement vineyard or orchards, and compensation for lost yields for each year from the year of expropriation.
Nursery	The replacement cost for any investment made on planting material (nursery plants and other reproduction material) not utilized.
Land needed on temporary basis	The market rental price for the duration of the lease. The land should be returned to the project affected person, in the same condition as it was taken.
House	Full compensation based on the replacement cost in a similar/comparable area plus moving, transfer/administrative taxes, and transition allowance.
Lessees of Public or State owned properties	Provision of the use of other corresponding Public or State owned equivalent property with the rights of a lessee for an equivalent period of time
Legal renters, employees, or workers on the land or in a business	Compensated for lost income earned from the land, as determined in the social assessment, and the replacement cost for any investment made on the land.
Illegal users of public and private land	Compensated for the replacement cost of any investment made on the land.
Persons with non-agricultural business	Full relocation cost of businesses affected, including the inventory, and the replacement cost for any investment.
Vulnerable groups (affected households with many dependents, household with unemployed head, households with disabled, poor households)	For this group, they will be given additional financial assistance to ensure that they will be no worse off after the project and can maintain and restore their livelihoods.

## **ANNEXURE IV - TOR for M&E Consultants**

The Social Safeguard Specialist (SSS) shall be a graduate of sociology, anthropology, legal or related sciences, with a further qualification in resettlement issues, having at least 15 (fifteen) years experience, of which:

- at least 5 (five) years have been spent working in a senior managerial position supervising the resettlement issues of major projects including control and monitoring of resettlement plans.

The SSS shall be responsible to the TL and to the PM for:

- providing advice on any resettlement issues and assist the Client and other bodies in processing and resolution of resettlement claims;
- providing advice on correct procedures to be followed and preparation of schedule when actions should be taken relevant to the design and construction program (action plan shall comply with the relevant policies of the GoS);
- review, update and/or preparation of new resettlement plans consistent with the resettlement framework plans and assisting the Client in preparing and updating resettlement plans;
- supervision and monitoring the implementation of the resettlement plans;
- monitoring the work related to dealing with complaints and grievances;
- providing updates to the resettlement plans as required to address any recurring problems or complaints;
- coordination and reporting on grievance resolution committee activities;
- management the aspects related to communication and disclosure of resettlement aspects under the Project;
- reporting monthly to the TL and the PM upon resettlement issues;
- assisting the TL in preparation of guides for environmental management and establishment and implementation of the training program.

Corridor X highway to Bulgaria (E80): Nis-Dimitrovgrad. This component involves construction of 84 km of highway on a section of the corridor south of Nis, near the Prosek settlement, to the border with Bulgaria near Dimitrovgrad. The proposed new highway will be built almost entirely on a new alignment and will extend the existing highway from Prosek all the way to the Bulgarian border. The motorway will be built with the following characteristics: four 3,75 m lanes and a design speed of 120 km/h for the sections Prosek-Bela Palanka and Pirot East-Dimitrovgrad bypass, four 3,5 m lanes and a design speed of 100 km/h for the more difficult section between Bela Palanka and Pirot East. The Corridor Xc section includes construction of 57 bridges (total length over 4,5 km) and 12 tunnels (total length over 4 km).

The period for Construction Supervision, in its various phases and stages is expected to be 54 months (including Defect Liability Period). The Consulting Services include rendering any and all required assistance to the K10DOO in carrying out the supervision of the works.

Consultant shall provide staff, including suitably qualified engineers and other professionals who are competent to carry out duties, such as:

- a) the supervision of the Contractors works in all aspects, of the fulfillment of their obligations, responsibilities and undertakings made with respect to the carrying out and completing of the works contracts (Engineer according to the FIDIC Red book);
- b) assistance to the K10DOO, including his associated duties to the Banks (determinations, financial control and reporting);
- c) the establishment of supervision methodology and systems that may be adopted as a standard for employment on future projects (documentary and software support shall be provided by the Consultant);
- d) to provide the necessary evidentiary records and analyses and act as the expert witness on the side of the K10DOO if any dispute issues arise out of the Project;
- e) Co-operation with Consultant Supervision of the Environmental Management Plans.

The K10DOO now invites eligible consultants to indicate their interest in providing the services. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc). Consultants may associate to enhance their qualifications by forming joint ventures. In the case of joint venture member in-charge should be identified along with other members.

**ANNEXURE V - Progress monitoring table**

No	Monitoring Indicators for Physical Progress	Implementation Target	Revised Implementation Target	Progress This month	Cumulative Progress	% Against Revised Implementation Target
1.	Land acquired-private					
2.	Land acquired - agricultural					

---

## **ANNEXURE VI - Key Baseline Indicators**

### 1. Demographic structure:

- Number of preschool-aged children in the household
- Number of children aged 7-15 in the household

### 2. Vulnerable groups:

- Elderly households (household with no members under 65 years old)
- Single parent family (with two or more minor children)
- Families with three or more minor children
- Households with disabled individuals
- Poverty-stricken households which have suffered various disasters
- Households encountering difficulties during reconstruction of houses and rehabilitation of agricultural production
- Households which accept some form of social welfare

### 3. Economy:

- Sources of income (primarily: agriculture, private entrepreneurship, public sector, pension/personal income, temporary work, households according to primary sources of income)
- Employment (constantly employed, temporarily employed, unemployed)
- Monthly income per household member
- Household below the poverty line
- Households at risk of poverty
- Tenant status of residential structure

### 4. Self-perception of the socio-economic position:

- above average
- average
- poor
- very poor.

6. Property situation of household (possesses agricultural and other land, possesses residential and other structures) - on the basis of data from the survey

7. Improving the living standard with money received from the expropriation

8. Access to services of public interest

9. Living conditions (quality of residential structure, surface area per household member, sanitary equipment in residential structure) - Indicators of habitation will be done in the case of expropriation of a structure used as permanent residence.